

## Closed Session II (PetPro) — July 7, 2014

At 7:47 p.m., the Board, already in closed session on another matter, began closed session on a different matter relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Kemp, Lanier and Haywood were present. Also present were County Manager Richard Wells; Will Massie, Assistant County Manager/Finance Officer; County Attorney Ben Morgan; Aimee Scotton, Associate County Attorney; Amanda Varner, Deputy Clerk to the Board; Dana Crisco, Interim Deputy Clerk; Bonnie Renfro, Randolph County EDC President and Kevin Franklin, EDC Existing Industry and Business Coordinator.

Bonnie Renfro stated that the EDC has been working for the last two months with PetPro Resources, which is a start-up company that plans to purchase the former Lucks / Seagrove Foods facility for a new operation. She said that the company is owned by husband and wife, Mamdouh Darweesh and Peggy Baker, who have experience in the food and animal feed processing business, having owned and sold other companies in Wisconsin. Mamdouh has just retired as the CFO for the Land O Lakes company.

They plan to purchase the facility and add new equipment for a pet food and animal feed operation. Specifically, they will convert NC grown sweet potatoes to flour that will be used in pet food. A second process will be grinding poultry parts to powders for use in animal feed.

Ms. Renfro said that the client will invest \$5 million to purchase, renovate and equip the facility. They have committed to 50 new jobs within 5 years, 38 of those jobs within 18 months at an average annual wage of \$34,358 with health care benefits. They have requested assistance via a Building Reuse Grant to assist with the cost of installing a 500 kW roof mounted solar system at the plant.

Ms. Renfro said the request comes because Seagrove does not have natural gas and the use of fuel oil for the heat process has the potential to contaminate the product. Use of electric power is a viable alternative but is very costly. They can lower the electrical cost by use of the solar panels to partially offset the cost.

Ms. Renfro said that the deadline for the next Building Reuse Grant round is July 9, 2014. The grant amount is \$380,000 and the county would be asked to match 5% or \$19,000. In order to meet the deadline, she requested that the Commissioners submit a letter of support; adopt a resolution that the Board supports the project by agreeing to seek and administer the grant, to fund the match, and stating that they have scheduled a hearing to formally consider the request; and schedule a public hearing for the August meeting.

Following discussion, the consensus of the Board was to return to open session to discuss the items requested and to schedule a public hearing to be held at the August 7<sup>th</sup> meeting, at 6:30 p.m.

At 7:57 p.m., closed session ended on this topic.

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J. Harold Holmes, Chairman

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Darrell L. Frye

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Phil Kemp

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Stan Haywood

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Arnold Lanier

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Amanda Varner, Deputy Clerk to the Board